



Shopping for Long Distance Service



OUCS Consumer Fact Sheet

Indiana Office of Utility Consumer Counselor
100 N. Senate Avenue, Room 501
Indianapolis, Indiana 46204-2215
www.IN.gov/oucc

Toll-free 1-888-441-2494
Voice/TDD (317) 232-2494
Fax (317) 232-5923
UCCINFO@oucc.state.in.us

Quick Facts:

- ◆ You have many options for state-to-state, in-state and local long distance telephone service.
- ◆ Shopping for long distance service can save you money. It may be cheaper, depending on your needs, to use more than one provider for long distance.
- ◆ Some plans are more likely to meet your needs than others.

You can save money by shopping for long distance service and knowing your options, though finding the right plan to fit your needs can take time. Many companies offer different long distance plans to fit various customer needs. This OUCS Consumer Fact Sheet offers some basic information to assist you in shopping.

Choices

Since the mid-1980s, consumers have been able to choose the companies that provide their long distance service for state-to-state calling and calls between regional calling areas within Indiana. (In the telephone industry, these regional areas are known as Local Access Transport Areas, or LATAs. Indiana is divided into 10 such areas.)

Indiana consumers can also choose the company that provides long distance service within their regional areas, or LATAs. This is often referred to as "local long distance."

In today's competitive long distance market, it is possible to have more than one company providing you with long distance service. For example, you could choose:

- A preferred company for your **Intra**-LATA long distance calls ("Local" long distance);
- A preferred company for your **Inter**-LATA long distance calls (including state-to-state calls, along with calls that are in-state but outside your regional area);
- A 10-10 dial-around number provider;
- A calling card or prepaid phone card;
- Cellular phone service; or
- Operator Assisted Calls, such as collect calls.

You may find that one long distance company gives you the best rate for state-to-state calls, but that another company offers the best rate for local long distance calls. No matter which service(s) you choose for your long distance calling needs, **remember to shop for the best deal.**

Know Your Needs

Begin shopping for long distance service by reviewing your monthly phone bills and assessing your needs. Keep in mind that the same long distance calling option is not right for all consumers. Closely review:

- The average number of long distance calls you make monthly;
- The average duration of your calls;
- The time of day you make most long distance calls; and
- The places you call.

Once you understand your calling pattern:

- Compare the options offered by different companies.
- Determine which option or options will best fit your needs.
- Request written information on different companies' offers to ensure there is no misunderstanding.
- Ask questions about anything you don't understand.
- Remember that you may select different companies and different services for different types of calls (such as state-to-state calls or local long distance calls).

Shopping Suggestions

There are many factors to consider when shopping for long distance service. Which factors you choose to consider and the weight you place on each will depend on your specific needs.

Rates

- Ask what the per minute rates are for different times of the day and for different days of the week.
- Ask about specific rates for state-to-state calls, Inter-LATA calls within Indiana and Intra-LATA calls (local long distance within your LATA). Also ask about international rates, if applicable.
- In-state and state-to-state rates may vary considerably.

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The Indiana Office of Utility Consumer Counselor (OUCC) is the state agency that represents the interests of all utility consumers and the general public in matters related to the provision of utility services. The agency is active in proceedings before regulatory and legal bodies, and committed to giving consumers a voice in the creation of utility service policy.

Monthly Charge

- Some long distance plans charge a fixed amount per month just to be on the plan, regardless of your monthly usage.
- Many companies now offer calling plans with no minimum monthly fees, so shop around for the best offer.

Monthly Minimum Usage Charge

- Some long distance plans require a minimum usage of \$3 or more per month in long distance calls.
- If you do not make any calls, you will still owe the minimum usage charge. Charges for calls you place are credited toward the minimum usage charge.
- Many plans have eliminated these fees, so shop around for the best deal.

Per Call Minimum Charges

- Some 10-10 dial-around numbers charge you a fee just to place a call. This charge could be 5 cents or more.

Per Call Minimum Talk Times

- Some 10-10 dial-around numbers require you to pay for a minimum amount of minutes per call. For example, if a company charges you 99 cents for up to 20 minutes of talk time, you will be billed 99 cents whether you talk for one, five, 15 or 20 minutes.

Universal Service Fund Fee

- Federal law requires local and long distance companies to contribute to the Universal Service Fund (USF). This fund provides affordable telephone service to low-income and rural customers. It also provides discounts on telecommunications services and Internet access for eligible schools, libraries and rural health care providers.
- Companies are not required to recover this contribution through a separate charge to customers. As a result, some do not collect a distinct USF fee, some charge a flat fee and others may charge a percentage of your long distance calls.

Rounding

- Different companies bill you in different time increments, ranging from six seconds to 60 seconds.
 - For example: If your company bills in 60-second increments and you make a call lasting 4 minutes and 2 seconds, you will be charged for 5 minutes.

Customer Service

- Find out if the company's customer service staff is accessible and helpful.
- Make sure the company's customer service employees are available when you need them, including evenings and weekends.

Billing Arrangements

- Your long distance company may bill you either through your local phone bill or by sending a separate bill. Some companies allow you to choose but may assess a fee for a particular option.
- Most companies bill monthly. However, some companies may send quarterly bills to low-volume users unless those customers ask to be billed monthly.

- Some long distance companies offer special discounts for direct credit card billing instead of mailing a traditional bill. These companies make your long distance calling details available for your review on the Internet.

Miscellaneous Charges

- Ask about any and all other charges that will or could appear on your account, including late fees or returned check fees.

Other Resources

The OUCC does not endorse specific calling plans or providers. However, a number of Websites can help consumers examine their phone bills and research long distance providers and plans.

One such resource is the Telecommunications Research and Action Center (TRAC), a Washington, D.C. nonprofit consumer group that provides information online at www.trac.org.

If you do not have access to a computer, you can request a rate comparison chart by sending \$5 and a self-addressed stamped envelope to TRAC, P.O. Box 27279, Washington, D.C., 20005.

Other options include A Bell Tolls (<http://abtolls.com>), SaveOnPhone.com (www.saveonphone.com) and TollChaser.com (<http://tollchaser.com>). The Federal Communications Commission also offers telephone consumer information at www.fcc.gov/cgb

Cellular Service & Prepaid Calling Cards

Many consumers now use cellular telephone services and prepaid calling cards to meet their long distance needs.

For more information about pre-paid calling cards, please read "Prepaid Telephone Calling Cards: Questions You Should Ask," a consumer fact sheet from the OUCC. This fact sheet, along with all other OUCC publications, is free and available on the OUCC's Website at www.IN.gov/oucc. Consumers can also call the OUCC's consumer services staff toll-free at 1-888-441-2494 to request free copies by mail or fax.

Cellular telephone service is offered in a competitive market and, as a result, is largely unregulated at the state level. Many of the suggestions in this consumer fact sheet also apply to shopping for cellular plans. Since cellular plans typically require long-term contracts, the OUCC urges consumers to carefully read any contract before signing, especially the fine print. The OUCC also recommends that consumers read the FCC brochure, "What You Should Know About Wireless Phone Service." This publication is available on the Internet at www.fcc.gov/cgb/wirelessphone.pdf.

Lifeline Customers

If you are a low-income customer currently receiving Lifeline/Link-Up benefits from your local phone company, tell your long distance carrier. Some long distance companies waive minimum usage charges and universal service fees for Lifeline participants. More information on Lifeline/Link-Up is available online at www.IN.gov/oucc and from the OUCC's consumer services staff toll-free at 1-888-441-2494.

